

South Carolina Board of Economic Advisors

Statement of Estimated Revenue Impact

Date: February 19, 2008

Bill Number: S. 859

Author: McConnell

Committee Requesting Impact: Finance Committee

Bill Summary

A bill to amend Sections 12-62-50 and 12-62-60, both as amended, Code of Laws of South Carolina, 1976, relating to, among other things, the tax rebate and the expenditure rebate to motion picture companies for purposes of the South Carolina Motion Picture Incentive Act, so as to provide a tax rebate to a motion picture production company equal to twenty percent of the company's South Carolina payroll, raise the aggregate annual limit on this rebate from ten to fifteen million dollars and provide a carry forward and to add ten million dollars annually to the percentage of admissions tax revenues appropriated to the Department of Commerce for the use of the South Carolina Film Commission, to authorize a thirty percent expenditure rebate to a motion picture production company having in the aggregate at least a million dollars of in-state expenditures and provide a carry forward.

REVENUE IMPACT ^{1/}

This bill would have no effect on General Fund revenue in FY2008-09. Annual appropriations to the Department of Commerce would increase by \$10,000,000 as mandated in the proposed legislation.

Explanation

This bill requires a 20% wage rebate based on the total payroll subject to South Carolina withholdings for persons employed in connection with a motion picture production and a 30% rebate of expenditures made by motion picture production companies in South Carolina. These rebates are currently in effect under a temporary Part IB provision in the annual Appropriations Act and have been for the past two fiscal years. Since the revenue impacts of these rebates have been included in the BEA revenue estimates, we expect this bill would have no effect on General Fund revenue in FY2008-09. Annual appropriations to the Department of Commerce would increase by \$10,000,000 as mandated in the proposed legislation.

/s/ WILLIAM GILLESPIE

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Chief Economist

Analyst: Shuford

^{1/} This statement meets the requirement of Section 2-7-71 for a state revenue impact by the BEA, or Section 2-7-76 for a local revenue impact, or Section 6-1-85(B) for an estimate of the shift in local property tax incidence by the Office of Economic Research.